



Fixed Income & FX Research

10 June 2025

Macro: US inflation expectations declined, ahead of CPI data tomorrow. Malaysia announced SST expansion on non-essential goods and services; to start on 1 July.

Forex: DXY fell below 99.0 as US-China trade talks continued. MYR opened near-unchanged this morning following SST expansion news yesterday evening.

Fixed Income: UST trading remained cautious ahead of data and event catalysts. MGS fell slightly, tracking earlier UST losses post-NFP data.

Macro

China: CPI fell 0.1% y/y in May (consensus: -0.2%), matching the declines in the prior two months. Core inflation, however, accelerated slightly to 0.6% y/y, its highest reading since January, suggesting tentative signs of improving consumer confidence. PPI contracted for the 32nd consecutive month at 3.3% y/y in May – its steepest decline since July 2023. Optimistic signs ahead of tomorrow's US CPI reading for May, as 1-year consumer inflation expectations edged down to 3.2% y/y for May (April: 3.6%) amid falling energy prices.

Malaysia: The Ministry of Finance (MoF) announced that the expanded SST will kick in on 1 July, which will see a sales tax of 5-10% imposed on select non-essential goods and services, including rental/leasing, finance, private healthcare and education, and construction. The MoF provided no estimated revenue, though the government earlier said (in November 2024) it expects to raise an additional RM5 billion, based on an earlier 1 May 2025 rollout. In doing so, MOF reaffirmed the fiscal deficit target of 3.8% while maintaining the current growth forecast of 4.5-5.5% in 2025, which will eventually be reviewed to align with global conditions. We also believe that the impact of SST expansion is likely to be contained as spending moderates and due to the limited scope of the tax reform.

Forex

Global: DXY closed below 99.0, remaining near its April lows amid a muted trading session, as markets eye the 'not easy' trade talks between the US and China. Risk-on G10 currencies such as the AUD, NZD, and SEK outperformed peers, though merely reversing prior losses. JPY rose by 0.2%, as former BOJ official Eiji Maeda said the central bank will likely slow the pace of tapering its JGB purchases in the next fiscal year. Maeda also said the next BOJ rate hike will likely come around October to March 2026, depending on economic conditions.

MYR: The ringgit closed unchanged on Monday after a narrow 4.230-4.245 intraday trading range. Following yesterday evening's SST expansion news, USD/MYR levels increased slightly this morning. Given the earlier-telegraphed announcement since late last year, we expect only modest tailwinds for the ringgit from this development.

Fixed Income

Global Bonds: The UST market reversed losses to close moderately firmer. Sentiment remained guarded with US-China trade talks held in the UK and ahead of US inflation numbers this week. Sentiment was additionally cautious before this week's 10Y notes auction (USD39 billion) and 30Y bonds (USD22 billion) – the latter of which will be highly watched given recent deterioration in the appeal of global long-term debt.

MYR Bonds: Malaysia's government bonds closed lower in price yesterday, affected by the climb in UST yields post expectations-beating NFP data. Meanwhile, the 15Y MGS auction saw firm BTC of 2.86x amid suspected demand from real money players. The corporate bond market recorded mostly net buying interest and was led by banking names. Notable trades include AA3-rated Bank Islam 07/29 at 3.70% (-18 bps) while Bank Islam 07/31 fell 5 bps to 3.74%.

FX Daily Rates

Vs. USD	Last Close	Per cent
DXY	98.94	(0.3)
EUR/USD	1.142	0.2
AUD/USD	0.652	0.4
GBP/USD	1.355	0.2
USD/JPY	144.57	(0.2)
USD/MYR	4.232	0.0
USD/IDR	16,275	0.0
USD/THB	32.67	0.2
USD/SGD	1.286	(0.2)
USD/CNY	7.179	(0.2)

Ringgit Outlook for The Week

	1	2
Resistance	4.310	4.320
Support	4.210	4.200

Major Sovereign Yields (%)

Sov. Yield	Last Close	bps
UST 2Y	4.00	(3)
UST 10Y	4.47	(3)
Germany 10Y	2.57	(1)
UK 10Y	4.63	(1)
Japan 10Y	1.47	1
Australia 10Y	4.27	0
China 10Y	1.69	(0)

MGS Bond Yields (%)

MGS	Last	bps
3-Year	3.16	0
5-Year	3.19	1
7-Year	3.42	2
10-Year	3.53	1
15-Year	3.70	0
20-Year	3.78	0
30-Year	4.01	0

MYR Swap Rates (%)

Swap / Rates	Last Close	bps
IRS 1-Year	3.26	0
IRS 3-Year	3.15	2
IRS 5-Year	3.23	2
IRS 7-Year	3.33	2
IRS 10-Year	3.45	2
3M KLIBOR	3.50	0

Key Commodities

Commodities	Last Close	Per cent
Brent (USD/bbl)	67.04	0.9
WTI (USD/bbl)	65.29	1.1
Gold (USD/oz)	3,326	0.5
CPO (RM/tonne)	3,914	0.0

Policy Rates

Central Banks	Current	Next
US Fed Funds	4.50	18-Jun
ECB Deposit Rate	2.00	24-Jul
BOE Base Rate	4.25	19-Jun
RBA Cash Rate	3.85	28-Jul
BOJ Cash Rate	0.50	17-Jun
PBOC 1Y LPR	3.00	n.a.
BOK Base Rate	3.00	-
BNM OPR	3.00	09-Jul

Sources: Bloomberg, Trading Economics, AmBank Economics
Note: Changes are based on day-on-day percentage, except for MGS Yield, Sovereign Yields, and IRS, where changes are in bps.

Other Markets

Crude oil: Energy prices continued ticking up amid US-China trade talk progress, the incoming peak summer travel season, and rising geopolitical tensions in Russia-Ukraine, though gains were tempered by talks that Saudi Arabia may push for a significant OPEC+ production hike.

Currencies vs USD

Please read the disclosure and disclaimer on the last page of this research report

EUR/USD	1.142	1.140	1.144	1.125	1.080	0.2	(0.2)	1.5	5.7	10.3	
AUD/USD	0.652	0.649	0.650	0.641	0.658	0.4	0.3	1.6	(1.0)	5.3	
GBP/USD	1.355	1.353	1.354	1.331	1.272	0.2	0.1	1.8	6.5	8.3	
USD/JPY	144.57	144.85	142.71	145.37	156.75	(0.2)	1.3	(0.6)	(7.8)	(8.0)	
USD/MYR	4.232	4.232	4.257	4.301	4.692	0.0	(0.6)	(1.6)	(9.8)	(5.4)	
USD/IDR	16,275	16,275	16,248	16,515	16,195	0.0	0.2	(1.5)	0.5	1.1	
USD/THB	32.67	32.61	32.83	33.02	36.50	0.2	(0.5)	(1.1)	(10.5)	(4.2)	
USD/SGD	1.286	1.290	1.285	1.298	1.352	(0.2)	0.1	(0.9)	(4.9)	(5.8)	
USD/CNY	7.179	7.193	7.199	7.238	7.248	(0.18)	(0.3)	(0.8)	(0.9)	(1.6)	
USD/KRW	1,355	1,356	1,379	1,398	1,366	(0.1)	(1.8)	(3.1)	(0.8)	(8.0)	
USD/INR	85.63	85.64	85.39	85.38	83.38	(0.0)	0.3	0.3	2.7	0.0	
USD/PHP	55.83	55.64	55.71	55.48	58.53	0.3	0.2	0.6	(4.6)	(3.5)	
USD/TWD	29.94	29.93	29.97	30.30	32.25	0.1	(0.1)	(1.2)	(7.1)	(8.7)	
USD/HKD	7.848	7.847	7.845	7.778	7.812	0.0	0.0	0.9	0.5	1.0	
USD/VND	26,041	26,056	26,018	25,975	25,413	(0.1)	0.1	0.3	2.5	2.2	
NZD/USD	0.605	0.601	0.604	0.591	0.611	0.6	0.2	2.3	(1.0)	8.1	

Ringgit Cross Rates

	Latest	1-day	1 week	1-Month	1-Year	Percentage Change					Trend Line		
	9-Jun-25	6-Jun-25	2-Jun-25	10-May-25	9-Jun-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
EUR/MYR	4.836	4.832	4.853	4.835	5.110	0.1	(0.4)	0.0	(5.4)	3.8			
GBP/MYR	5.743	5.727	5.758	5.707	6.004	0.3	(0.3)	0.6	(4.3)	2.3			
AUD/MYR	2.762	2.746	2.758	2.752	3.126	0.6	0.2	0.4	(11.6)	(0.7)			
JPY/MYR	2.927	2.921	2.983	2.961	2.993	0.2	(1.9)	(1.2)	(2.2)	2.8			
SGD/MYR	3.293	3.290	3.304	3.312	3.489	0.1	(0.3)	(0.6)	(5.6)	0.2			
10CNY/MYR	5.893	5.892	5.913	5.937	6.474	0.0	(0.3)	(0.7)	(9.0)	(3.8)			
100IDR/MYR	2.598	2.598	2.615	2.602	2.897	0.0	(0.7)	(0.2)	(10.3)	(6.3)			
THB/MYR	12.948	12.984	12.958	13.029	12.744	(0.3)	(0.1)	(0.6)	1.6	(0.6)			
10HKD/MYR	5.393	5.393	5.428	5.527	6.005	0.0	(0.6)	(2.4)	(10.2)	(6.4)			

Commodities

	Latest	1-day	1 week	1-Month	1-Year	Percentage Change					Trend Line		
	9-Jun-25	6-Jun-25	2-Jun-25	10-May-25	9-Jun-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
Brent (USD/barrel)	67.04	66.47	64.63	63.91	79.62	0.9	3.7	4.9	(15.8)	(10.2)			
WTI (USD/barrel)	65.29	64.58	62.52	61.02	75.53	1.1	4.4	7.0	(13.6)	(9.0)			
Gold (USD/oz)	3,326	3,310	3,382	3,325	2,294	0.5	(1.6)	0.0	45.0	26.7			
Malaysia CPO (RM/tonne)	3,914	3,914	3,920	3,797	4,000	0.0	(0.2)	3.1	(2.2)	(20.5)			

Malaysia Government Securities

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	9-Jun-25	6-Jun-25	2-Jun-25	10-May-25	9-Jun-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
3-Year	3.16	3.16	3.17	3.16	3.54	0	(1)	0	(38)	(32)			
5-Year	3.19	3.19	3.20	3.25	3.65	1	(1)	(6)	(46)	(43)			
7-Year	3.42	3.41	3.40	3.44	3.80	2	2	(1)	(38)	(35)			
10-Year	3.53	3.52	3.53	3.55	3.86	1	(1)	(2)	(33)	(29)			
15-Year	3.70	3.70	3.69	3.73	4.00	0	1	(3)	(30)	(27)			
20-Year	3.78	3.78	3.80	3.84	4.13	0	(2)	(6)	(35)	(28)			
30-Year	4.01	4.01	4.02	4.04	4.22	0	(1)	(2)	(21)	(17)			

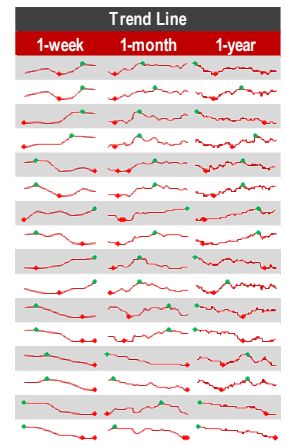
Malaysia Government Investment Issues

	Latest	1-day	1 week	1-Month	1-Year	Basis Points Change					Trend Line		
	9-Jun-25	6-Jun-25	2-Jun-25	10-May-25	9-Jun-24	1-day	1-week	1-month	1-year	YTD	1-week	1-month	1-year
3-Year	3.17	3.16	3.17	3.19	3.51	0	(0)	(2)	(34)	(26)			
5-Year	3.30	3.29	3.29	3.37	3.65	0	0	(7)	(36)	(33)			
7-Year	3.41	3.41	3.40	3.46	3.80	(0)	0	(5)	(40)	(34)			
10-Year	3.53	3.53	3.53	3.58	3.88	0	(0)	(5)	(35)	(30)			
15-Year	3.70	3.69	3.70	3.73	4.02	0	(1)	(3)	(32)	(28)			
20-Year	3.77	3.77	3.79	3.85	4.14	0	(3)	(8)	(37)	(32)			

Major Sovereign Yields (%)

	Latest	1-day	1 week	1-Month	1-Year
	9-Jun-25	6-Jun-25	2-Jun-25	10-May-25	9-Jun-24
UST 2Y	4.00	4.04	3.94	3.89	4.89
UST 10Y	4.47	4.51	4.44	4.38	4.43
Germany 2Y	1.86	1.88	1.79	1.79	3.08
Germany 10Y	2.57	2.58	2.52	2.56	2.62
UK 2Y	4.00	4.01	4.03	3.91	4.40
UK 10Y	4.63	4.64	4.67	4.57	4.26
Japan 2Y	0.78	0.76	0.77	0.65	0.35
Japan 10Y	1.47	1.46	1.51	1.37	0.98
Australia 2Y	3.32	3.32	3.28	3.37	3.98
Australia 10Y	4.27	4.27	4.27	4.29	4.22
China 2Y	1.43	1.44	1.47	1.44	1.74
China 10Y	1.69	1.69	1.71	1.64	2.31
Indonesia 2Y	6.21	6.21	6.27	6.40	6.63
Indonesia 10Y	6.77	6.77	6.87	6.86	6.90
Thailand 2Y	1.50	1.51	1.56	1.52	2.37
Thailand 10Y	1.68	1.68	1.78	1.84	2.79

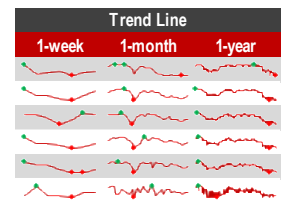
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
(3)	7	11	(88)	(24)
(3)	3	10	4	(10)
(2)	8	8	(122)	(22)
(1)	4	1	(5)	20
(1)	(3)	10	(39)	(39)
(1)	(4)	6	37	6
2	1	14	43	18
1	(4)	10	49	37
(0)	4	(5)	(66)	(54)
0	0	(2)	5	(9)
(0)	(4)	(0)	(31)	34
(0)	(1)	6	(62)	2
0	(6)	(19)	(42)	(83)
0	(9)	(8)	(13)	(22)
(0)	(5)	(2)	(87)	(49)
0	(10)	(15)	(111)	(57)



Key swap rates

	Latest	1-day	1 week	1-Month	1-Year
	9-Jun-25	6-Jun-25	2-Jun-25	10-May-25	9-Jun-24
IRS 1-Year	3.26	3.25	3.25	3.34	3.59
IRS 3-Year	3.15	3.14	3.14	3.14	3.59
IRS 5-Year	3.23	3.21	3.23	3.21	3.66
IRS 7-Year	3.33	3.32	3.33	3.30	3.77
IRS 10-Year	3.45	3.43	3.47	3.42	3.89
IRS 20-Year	3.73	3.71	3.71	3.65	4.23

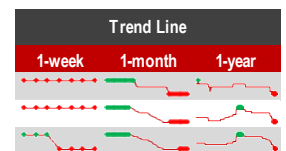
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
0	1	(9)	(34)	(32)
2	2	1	(44)	(35)
2	0	2	(43)	(32)
2	0	3	(44)	(30)
2	(2)	3	(44)	(28)
2	1	8	(51)	(23)



Key KLIBOR rates

	Latest	1-day	1 week	1-Month	1-Year
	9-Jun-25	6-Jun-25	2-Jun-25	10-May-25	9-Jun-24
1-Month Klibor	3.26	3.26	3.26	3.27	3.29
3-Month Klibor	3.50	3.50	3.50	3.61	3.59
6-Month Klibor	3.54	3.54	3.55	3.67	3.64

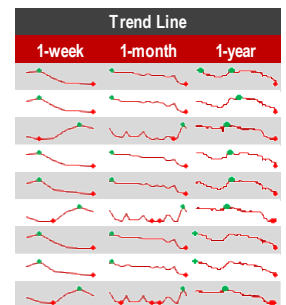
Basis Points Change				
1-day	1-week	1-month	1-year	YTD
0	0	(1)	(3)	(3)
0	0	(11)	(9)	(23)
0	(1)	(13)	(10)	(23)



Indicative PDS yields

	Latest	1-day	1 week	1-Month	1-Year
	9-Jun-25	6-Jun-25	2-Jun-25	10-May-25	9-Jun-24
3-Year AAA	3.62	3.63	3.69	3.73	3.83
3-Year AA	3.77	3.78	3.83	3.87	3.98
3-Year A	4.54	4.57	4.49	4.48	4.94
5-Year AAA	3.69	3.70	3.75	3.80	3.93
5-Year AA	3.86	3.87	3.91	3.94	4.08
5-Year A	4.67	4.72	4.64	4.60	5.17
10-Year AAA	3.84	3.85	3.89	3.93	4.10
10-Year AA	4.01	4.01	4.04	4.08	4.29
10-Year A	5.02	5.10	5.00	4.94	5.64

Basis Points Change				
1-day	1-week	1-month	1-year	YTD
(1)	(7)	(12)	(22)	(21)
(1)	(6)	(10)	(21)	(24)
(4)	5	6	(40)	(32)
(1)	(6)	(11)	(25)	(24)
(1)	(5)	(8)	(23)	(25)
(5)	3	7	(50)	(42)
(0)	(5)	(9)	(26)	(22)
(1)	(4)	(7)	(28)	(23)
(8)	2	7	(62)	(54)



Sources: Bloomberg, AmBank Economics

Note: All values are end-period

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